

## Addendum A

# Addendum to Triad MLS Rules and Regulations Common Compliance Policy

*Policy Adopted October 22, 2020*

*Policy Effective January 1, 2021*

*Policy Revised June 17, 2021*

The purpose of this policy is to ensure the integrity of the MLS including the accuracy of its data. Violations will be processed in accordance with this policy. This policy, including the citable offenses and fines, are subject to change upon approval of the Triad MLS Board of Directors.

Compliance enforcement activities consistent with this policy and the Triad MLS Rules and Regulations will be performed, subject to a service agreement between Triad MLS and a Shareholder or Subscribing Association, by (i) Triad MLS or (ii) a Shareholder or Subscribing Association with respect to its own members.

The Triad MLS Compliance Committee shall meet at least monthly to discuss Triad MLS rules, enforcement trends, and related compliance issues, and, as necessary, will make recommendations to the Triad MLS Board of Directors. The committee will be made up of Triad MLS staff, Association staff, and the Triad MLS President-Elect, appointed by the Triad MLS Board of Directors.

Triad MLS staff will submit a summary report to the Triad MLS Board of Directors containing aggregated monthly compliance trends.

**VIOLATION CATEGORIES:** If a violation occurs, it will fall into one of three categories:

**CATEGORY I VIOLATIONS:** Category I violations are “correctable” and do not carry a fine if corrected within the required time frame. In addition, there is no fine for the first violation of a particular rule.

- A. **Staff Action:** Staff will send "Notice of Triad MLS Rules Violation", by email to the attention of the Subscriber (agent) with a cc to the Participant (BIC) as identified in the MLS system. Staff will endeavor to send notices out within 3 business days of the staff being made aware of the violation.
- B. **Compliance:** If correctable, the violation must be corrected within one business day (excluding weekends and holidays) of the date of the notice. After the first violation, if a correctable Category I violation is not corrected within the previously stated time frame, the fine will be automatically assessed.
- C. **Fine:** Fines are identified in the Compliance Fee Schedule. There are no fines for the first violation of a Category I violation.
- D. **Repeat Violations:** Repeat Category I violations carry fines as outlined in the Compliance Fee Schedule. The number of repeat Category I violations will

reset on January 1<sup>st</sup> of each year. After six cumulative Category I violations (for any rule violation), Subscribers will be required attend a hearing.

E. **Violations Include:** Any violation of the Triad MLS Rules and Regulations not specifically addressed by Category II or Category III, including:

1. All listing data entry rules, including, Triad MLS Rules and Regulations Section 1, such as prohibited items digitally embedded in photos (MLS rules Section 1.2), included in public remarks and/or included in a Virtual Tour (MLS rules Section 1.2)
  1. This is a correctable offense and must be corrected within one business day to avoid fine.
2. \*Untimely Status Change
  1. Not correctable and violations carry fines as outlined in the Compliance Fee Schedule. However, there is no fine for a first-time violation of the status change rules.

**CATEGORY II VIOLATIONS:** A Category II violation is not “correctable” and therefore will incur an immediate fine, except as described below.

- A. **Staff Action:** Staff will confirm whether a violation occurred. If staff determines that there is no violation, then the matter is closed. If staff determine that a Subscriber or Participant has violated the “Triad MLS Rules and Regulations,” Staff will send a "Notice of Triad MLS Rules Violation and Fine Notification" to the attention of the Subscriber and the Participant (or just the Participant, as appropriate). Staff will endeavor to send notices within 3 business days of the staff being made aware of the violation.
  - B. **Compliance:** Subscriber and/or Participant must provide any staff-requested documentation within two business days of such a request.
  - C. **Fine:** Fines are identified in the Compliance Fee Schedule. There are no fines for the first violation of a Category II violation.
  - F. **Repeat Violations:** Repeat Category II violations carry fines as outlined in the Compliance Fee Schedule. The number of repeat Category II violations will reset on January 1<sup>st</sup> of each year. After three Category II violations of the same type, Subscribers will be required attend a hearing.
- G. **Violations include:**
1. Clear Cooperation Policy. See Triad MLS Rules and Regulations, Section 1.01.
  2. Late Listing Entry. See Triad MLS Rules and Regulations, Section 1.0

**CATEGORY III VIOLATIONS:** Some Category III violations are not “correctable” and therefore will incur an immediate fine.

- A. **Staff Action:** Staff will confirm whether a violation occurred. If staff determines that there is no violation, then the matter is closed. If staff determine that a Subscriber or Participant has violated the “Triad MLS Rules and Regulations,” Staff will send a "Notice of Triad MLS Rules Violation and

Fine Notification" to the attention of the Subscriber and the Participant (or just the Participant, as appropriate). Staff will endeavor to send notices within 3 business days of the staff being made aware of the violation.

- B. **Compliance:** If instructed, the subscriber must correct the violation within one business day (excluding weekends and holidays) of the date of the notice. Subscriber must provide any staff-requested documentation within two business days of such a request.
- C. **Fine:** Fines are identified in the Compliance Fee Schedule.
- D. **Repeat Violations:** Repeat Category III violations carry fines as outlined in the Compliance Fee Schedule. *Category III violations do not reset and are carried forward from year to year.* After three Category III violations, Subscribers will be required attend a hearing.
- E. **Violations include:**
  - 1. Password violation – Unauthorized disclosure of MLS credentials. See Triad MLS Rules and Regulations, Section 9.3.
  - 2. Showing Property while in Coming Soon-No Show status. See Triad MLS Rules and Regulations, Section 1.3(B).
  - 3. Non-compliance with the MLS of Choice waiver policy\*\*. See Triad MLS Rules and Regulations, Section 6.1.
  - 4. Co-listing a property with non-Triad MLS member. See Triad MLS Rules and Regulations, Section 1.17.

**TRIAD MLS  
COMPLIANCE FEE SCHEDULE**

	Category I	Category II	Category III
1st Violation	Warning and probation for the remainder of the year (consistent with Section 7 of Triad MLS Rules and Regulations).	Warning and probation for the remainder of the year (consistent with Section 7 of Triad MLS Rules and Regulations).	\$1,000
Repeat violations of the same offense by the same individual, whether Participant or Subscriber.	2nd \$25 3rd \$50 4th \$100 5th \$200	2nd \$500 3rd \$1000	2nd \$3,000
	Upon the Sixth offense for Category I, Subscriber will be required to complete a mandatory Triad MLS Training Class (either on-line or in person) within 30 calendar days. If Subscriber does not complete compulsory class, Triad MLS will update Subscriber’s record and notify the respective Association at which time a six-month suspension (e.g., inactivation) of Triad MLS access would commence. Subscriber will be returned to active status after completing all required training, and paying all fines and any applicable association fees.	After three Category II violations of the same type, Subscriber will be required to attend a hearing before its Shareholder Association (board of directors or committee, as determined by the Shareholder Association). The Shareholder Association will impose the following fine:  4th \$3000  And may also impose any of the disciplinary measures described in Section 7.	3rd – Six month suspension (e.g., inactivation) of Subscriber’s Triad MLS access, and Subscriber will be required to complete a mandatory Triad MLS Training Class (either on-line or in person) within 30 calendar days. Subscriber will be returned to active status after completing all required training, and paying all fines and any applicable association fees.

	After the six cumulative Category I violations (for any rule), Subscriber will be required to attend a hearing before its Shareholder Association (board of directors or committee, as determined by the Shareholder Association). The Shareholder Association may impose any of the disciplinary measures described in Section 7.	After the 5th violation– Six month suspension (e.g., inactivation) of Subscriber’s Triad MLS access, and Subscriber will be required to complete a mandatory Triad MLS Training Class (either on-line or in person) within 30 calendar days. Subscriber will be returned to active status after completing all required training, and paying all fines and any applicable association fees.	After three Category III violations, Subscriber will be required to attend a hearing before its Shareholder Association (board of directors or committee, as determined by the Shareholder Association). The Shareholder Association may impose any of the disciplinary measures described in Section 7.
Non-Payment	\$10 per month the fine is not paid	Inactivation of MLS Services	Inactivation of MLS Services
Interpretive Notes	Category I fines are listed on an individual per-rule basis. For example, violation of the prohibited items in photos rule is considered separately from other listing entry violations. However, all violations are considered cumulatively for the purposes of determining an automatic hearing.	Category II fines are listed on an individual per-rule basis. For example, violation of Clear Cooperation is considered separately from Untimely Status Change. Violations are considered individually for the purposes of determining an automatic hearing.	**violations of Triad MLS’s MLS of Choice waiver policy will also follow the procedures described in Triad MLS Rules and Regulations, Sections 6.1.3 and 6.1.4.

**FAILURE TO PAY FINES:** For Category I Violations, failure to pay a fine within 30 days (including weekends and holidays) incurs an additional Non-payment Fine as described in the Compliance Fee Schedule. Every 30 days thereafter (including weekends and holidays) an additional \$10 is applied for every month the fine is not paid. For Category II and Category III Violations, failure to pay a fine within 30 days (including weekends and holidays) or complete the training class will would result in suspension of MLS services.

**APPEALS:** Subscribers will be required to pay all outstanding fines in full prior to filing an appeal. Each Shareholder or Subscribing Association will handle appeals in accordance with Section 9 of the Triad MLS Rules and Regulations.